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POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

PRC STATE COUNCIL BULLETIN,

NO. 8, 10 May 1984

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CHINA REPORT

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

PRC STATE COUNCIL BULLETIN, No. 8, 10 May 1984

Beijing PRC STATE COUNCIL BULLETIN in Chinese, No. 8, 10 May 1984

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PROVISIONAL REGULATIONS ON PRODUCTION PERMITS FOR INDUSTRIAL PRODUCTS
(7 April 1984)

(Guo-fa [0948 4099] 1984 No 54)

Beijing PRC STATE COUNCIL BULLETIN in Chinese No 8, 10 May 84 pp 248-251

[Text] Article 1: These regulations are drawn up in order to strengthen the control of product quality and to guarantee the quality of major industrial products.

Article 2: Enterprises producing products governed by industrial products production permits are qualified to produce those products only if they have obtained the production permits. The production of products subject to state planning should be organized according to state plans. Enterprises which have not obtained production permits must not produce those products, and in this case departments at various levels responsible for economic management must not make plans, supply materials, raw materials, or power, or provide funds for production.

Article 3: The State Economic Commission exercises centralized organization and leadership in the implementation of the production permits scheme; the departments managing the turning over of products to the authorities concerned are responsible for examination, granting approval and issuing permits; and the economic commissions of various provinces, autonomous regions, and municipalities directly under the central government (henceforth, local economic commissions) are to provide assistance in administration.

A. The duties and tasks of the State Economic Commission are as follows:

1. to supervise and inspect the implementation of these regulations;
2. to formulate methods of administration of production permits;
3. to examine and approve, in the implementation of the production permits scheme, lists of products and plans for implementation in successive stages with regard to different groups of products; and to supervise the situation of implementation;
4. to examine and approve the detailed rules and regulations drawn up by various departments governing the implementation of the production permits

scheme; to examine and approve the setting up of units responsible for testing and inspection;

5. to prescribe methods of arranging serial numbers of production permits;
6. to publish in a centralized way lists of enterprises that have obtained permits and lists of products for which production permits have been granted;
7. to arbitrate disputes related to the issuing of production permits.

B. The departments under the State Council which manage the turning over of products to the authorities concerned are responsible for permit issuing, management, and supervision work in relation to production permits for products to be turned over to the authorities concerned.

C. Local economic commissions are to assist the State Economic Commission and the departments that manage the turning over of products to the authorities concerned, so that they can satisfactorily perform the issuing, management and supervision work in relation to production permits.

Article 4. In order to obtain a production permit, an enterprise must satisfy the following conditions:

- A. The enterprise must possess an operational license issued and checked by an industrial or commercial administrative management department;
- B. its products must attain the existing standards prescribed by the state or relevant professional standards (standards promulgated by various departments--same explanation applies below);
- C. there must be correct and complete design drawings or technical documents, approved according to specified procedures, for its products;
- D. the enterprise must possess such equipment for production, technological equipment, and means of measurement, inspection and testing, as can insure the quality of its products;
- E. the enterprise must possess a contingent of professional technical personnel, skilled technical workers, and measurement and inspection personnel, who can guarantee the desired product quality and can carry out normal production work; moreover, the enterprise must be able to carry out production, experimentation, inspection and testing strictly according to design drawings, production technology, and technical standards;
- F. effective quality control as part of the process of production of a product must be instituted.

Article 5: To apply for a production permit, an enterprise must file an application with the department that manages the turning over of its product to the authorities concerned, and must submit a duplicate of the application to the local economic commission. After receiving the enterprise's

application, the department managing the turning over of the product to the authorities concerned should immediately organize relevant testing and inspection units, and invite participation of the relevant personnel of the province, autonomous region, or municipality directly under the central government where the enterprise is situated, to inspect, appraise and examine the product concerned and the conditions of production and technology of the applicant enterprise. If the stipulations in Article 4 are satisfied, production permits are issued, reports are submitted to the State Economic Commission for summing up, and lists of names are then published in a centralized way. If an enterprise is found not to be qualified through inspection, appraisal and examination, it will be allowed to submit another application when it is able to satisfy the conditions after rectification. The setting up of those units which test and inspect industrial products governed by production permits is proposed by the departments that manage the turning over of products to the authorities concerned and is examined and approved by the State Economic Commission.

Article 6. In the light of the characteristics of the products concerned, the departments that manage the turning over of products to the authorities concerned should determine the periods of validity of the production permits. If a production permit expires, or if a permit has not yet expired but the existing standards prescribed by the state or the existing professional standards are revised, then a new round of inspection, appraisal and examination must be carried out. The departments that manage the turning over of products to the authorities concerned and the local economic commissions must strengthen routine supervision over those enterprises which have obtained production permits, and must carry out regular checks and irregular spot checks.

Article 7: The package of products for which production permits have been granted must show the serial numbers of production permits and the dates of approval.

Article 8: If any one of the following things occurs, an enterprise's production permit must be annulled:

- A. The product quality deteriorates;
- B. a reinspection reveals that the conditions stipulated in these regulations are not satisfied;
- C. technological standards are lowered without permission;
- D. a production permit or the name of a famous brand of product is transferred to another enterprise to be used by it.

Article 9: The production permit for a product which will no longer be produced, or the production of which has to be stopped, as resolved upon by the state, must be canceled or recalled.

Article 10: After the cancellation of a production permit, the enterprise concerned must return the canceled production permit to the unit that issued it and must stop the production and sale of the product; this must be reported by the permit issuing unit to the State Economic Commission for publication by circular.

Article 11: An enterprise applying for a production permit must pay fees to the permit-issuing unit for application and inspection. The charging of fees is to be determined by the State Economic Commission in consultation with the departments concerned.

Article 12: The forging, transfer or fraudulent use of production permits by any unit or individual is prohibited. The units and personnel responsible for issuing production permits must rigorously implement these regulations and the relevant provisions, must act in a realistic and impartial manner, and must not practice graft or offer or accept any bribes. Offenders will be punished according to law.

Article 13: Among those industrial products governed by production permits, some are new products in our country and some are old products which have really improved in structure, functions, quality of materials used, technical characteristics, and so on; for these products, before they are formally produced in normal batches, the implementation of the production permit system can be temporarily dispensed with.

Article 14: For certain products, production permits have already been issued according to existing State Council regulations by the departments concerned; in these cases, the existing regulations must continue to be observed.

Article 15: The State Economic Commission is responsible for the interpretation of these regulations.

Article 16: These regulations are effective as of the date of their promulgation.

CSO: 4005/866

STATE COUNCIL CIRCULAR ON THE CIRCULATION OF A REQUEST FOR THE STATE NATIONALITIES AFFAIRS COMMISSION FOR INSTRUCTIONS CONCERNING THE SAVING AND ORGANIZING OF ANCIENT BOOKS OF MINORITY NATIONALITIES (19 April 1984)

(Guo-fa 1984 No 30)

Beijing PRC STATE COUNCIL BULLETIN in Chinese No 8, 10 May 84 p 253

[Text] The State Nationalities Affairs Commission's "Request for Instructions Concerning the Saving and Organizing of Ancient Books of Minority Nationalities" has been approved by the State Council. It is now circulated to you. Please implement it.

Ancient books of minority nationalities constitute part of our country's valuable cultural heritage; it is a very important task to save and organize them. Various localities and various departments concerned must strengthen leadership over this task, must give support in matters of human, financial and material resources, and must create the requisite conditions of work and livelihood for the specialized personnel who organize ancient books of minority nationalities.

Ancient books of minority nationalities cover a wide range of subjects and comprise many categories. Few people can now understand these books; moreover, some of the few people who can are advanced in age. In our work, we must pay attention to training qualified personnel in this area and do a good job of saving and organizing ancient books of minority nationalities.

CSO: 4005/866

STATE NATIONALITIES AFFAIRS COMMISSION REQUEST FOR INSTRUCTIONS CONCERNING THE
SAVING AND ORGANIZING OF ANCIENT BOOKS OF MINORITY NATIONALITIES (1 March 1984)

(Guo-fa 1984 No 30)

Beijing PRC STATE COUNCIL BULLETIN in Chinese No 8, 10 May 84 pp 253-255

[Text] Ancient books of minority nationalities (henceforth national ancient books) include books of history, language, literature, art, philosophy, religion, astronomy, calendar studies, geography, medicine, painting, production techniques, and so on; the range of subjects is very wide and there are many categories. According to incomplete statistics, there are over 10,000 ancient books of the Yi nationality kept in various places in our country; there are over 10,000 ancient books of the Zang nationality; there are over 1,500 categories of ancient Monggol books and documents; out of ancient Manchu books and documents, the category of records alone comprises over 1.5 million items; and there are also many other valuable ancient books and documents of other nationalities like Wei, Yao, Tai, and so on. All these have never been systematically organized before; moreover, serious damage was wreaked on them owing to sabotage during the "Great Cultural Revolution" and the interference of "leftist" ideology.

In the organizing of national ancient books, qualified personnel are inadequate and forces are weak. Few of the people of the minority nationalities understand ancient books, and moreover, most of them are advanced in age. People of the Han nationality who understand ancient books are also few, and over the past 20 years there has not been any training of qualified personnel in this field.

It is proposed that the following measures be taken in order to carry forward our country's cultural heritage on a full scale and to save national ancient books:

I. Organizational leadership should be strengthened. Under the leadership of the Planning Group for the Organization and Publication of Ancient Books under the State Nationalities Affairs Commission and the State Council, a National Planning Group for the Organization and Publication of Ancient Books of Minority Nationalities should be established to take charge of organization, coordination, liaison and guidance work. The membership of this group should include personnel from the State Nationalities Affairs

Commission, the Ministry of Education, the Ministry of Culture, the State Records Bureau, and the Academy of Social Sciences; the group leader should be one of the vice chairmen of the State Nationalities Affairs Commission; and under this group an office should be established to perform routine work. The relevant provinces, autonomous regions and municipalities directly under the central government should set up corresponding agencies; localities under the autonomous administration of minority nationalities and localities and counties where there are many people of minority nationalities, should also set up corresponding agencies as needed or assign the work to specified departments. According to actual needs, the personnel of these offices should be drawn from the operational establishments of the provinces, autonomous regions, and municipalities directly under the Central Government.

II. The work of saving ancient books of the minority nationalities should be vigorously grasped. The following tasks should be satisfactorily done to organize and keep national ancient books:

1. The work of cataloguing and organizing those national ancient books which have been preserved in a centralized way should be satisfactorily done.
2. Forces should be organized to collect those national ancient books which are kept by the people in scattered places. People who hand over valuable national ancient books to the state should be given material awards. Those national ancient books preserved by other departments (for example, public security departments and customs departments) should be transferred to the planning groups for the organizing and publication of ancient books of minority nationalities under the relevant provinces, autonomous regions and municipalities directly under the central government, so that their work can be facilitated.
3. Various libraries and units which keep the books must strengthen the preservation of existing and collected national ancient books. If any national ancient books are damaged owing to negligence in work, the responsibility should be investigated and affixed; those who make contributions should be commended and awarded.
4. Those national ancient book materials which have found their way to other countries should be reacquired by appropriate measures and through many varied means like purchase, exchange, or duplication.
5. Various provinces, autonomous regions and municipalities directly under the central government should promptly organize forces and go deep into the masses to save materials handed down by oral tradition, so that they will not be lost.

III. Policies concerning intellectuals must be implemented, qualified personnel for organizing national ancient books must be trained, and in particular, policies must be more thoroughly implemented in dealing with intellectuals among minority nationalities. Lamas well versed in Buddhism and religious texts and those personnel well versed in ancient books of minority nationalities should be treated as intellectuals. The role of existing new and old experts must be developed. The research personnel of institutes of

higher learning and scientific research departments, old comrades who have retreated to the second or third fronts, and specialists in society, must be mobilized and organized to vigorously participate in the work of organizing national ancient books.

The training of new forces must be started immediately. Various education and scientific research departments concerned, particularly colleges for the study of the nationalities, must incorporate the training of qualified personnel for the organizing of national ancient books into their enrollment plans. Appropriate consideration can be given to the criteria for admission so that a hierarchy of personnel who organize and study national ancient books can gradually be formed.

IV. The question of funds must be resolved. The funds needed for the organization and publication of national ancient books by a relevant province, autonomous region, or municipality directly under the central government should be included in the budgets of the locality itself. The funds needed by the National Planning Group for the Organization and Publication of Ancient Books of Minority Nationalities should be supplied every year by the Ministry of Finance, and be used for subsidizing the organization and publication of key items and used as a supplementary investment in printing equipment.

Cooperation between various provinces, autonomous regions, and municipalities directly under the central government must be strengthened. Those national ancient books organization jobs which involve two or more provinces or regions can be put under the leadership of those provinces or regions which possess better conditions, after consultation.

If there is nothing inappropriate in this report, please add instructions and circulate it to the people's governments of various relevant provinces, autonomous regions and municipalities under the central government, as well as various departments and commissions concerned under the State Council, for implementation.

CSO: 4005/866

SEVERAL PROPOSALS BY NATIONAL WORKERS EDUCATION COMMITTEE, MINISTRY OF EDUCATION, MINISTRY OF LABOR AND PERSONNEL, ALL-CHINA FEDERATION OF TRADE UNIONS, AND CYL CENTRAL COMMITTEE ON GIVING CULTURAL AND TECHNOLOGICAL LESSONS TO YOUNG AND MIDDLE-AGED WORKERS IN 1984 (27 March 1984)

(Zhi-jiao [5120 2403] 1984 No 4)

Beijing PRC STATE COUNCIL BULLETIN in Chinese No 8, 10 May 84 pp 257-260

[Text] Since the forum of some areas and departments on giving cultural and technological lessons to young and middle-aged workers in October 1982, the work of giving them lessons has made great progress because the various relevant departments have conscientiously implemented the spirit of the forum and worked hard. According to the incomplete statistics collected in the 19 provinces, municipalities and regions including Beijing, Tianjin, Hebei, Liaoning, Heilongjiang, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangxi, Hunan, Hubei, Henan, Shaanxi, Gansu, Qinghai, Xinjiang and Ningxia, by the end of 1983, 7,223,000 people or 39 percent of those who ought to take cultural courses have successfully completed them; and 5,386,000 people or 36 percent of those who ought to take technological courses have successfully completed them. In all areas and departments, there have been some basic-level units that have fulfilled ahead of schedule the task of giving cultural and technological lessons and attained the minimum (60 percent) or maximum (80 percent) goal stipulated in the "Resolution on Strengthening the Work of Education Among our Staff and Workers" by the CPC Central Committee and the State Council ("Resolution on Strengthening the Work of Education Among Our Staff and Workers" of the CPC Central Committee and the State Council (Zhong-fa [0022 4099] 1981 No 8, published in No 8 1981 issue of this journal). Fairly large numbers of units have overcome difficulties, such as poor teaching conditions, the serious disparity between the educational levels of those taking the lessons and the outstanding contradictions between the task of production and that of giving lessons. They have striven to improve their teaching methods and have strictly enforced the discipline of examination. As a result, all those who have obtained certificates for taking cultural lessons there have generally satisfied the requirements set for the subjects that they studied in the teaching program used by the areas and departments. In giving technological lessons, some of our large and medium factories, mines and enterprises have carried out a relatively systematic technological theoretical education. The development of the work of "giving cultural and educational lessons" has played a satisfactory role in improving the political, cultural and technological quality of our young and middle-aged staff

and workers and raising economic results and to some extent it has also laid a foundation for developing middle-school education among our staff and workers and for giving training to all our staff and workers.

The major problems in our work of "giving cultural and technological lessons" at present are: 1. The development of this work has been uneven. Some areas, departments and units have made slow progress in doing this work and only a small percentage of those who have taken the lessons have passed the examinations. Others have paid attention only to grasping the work of giving cultural lessons and neglected the work of giving technological lessons, or have paid attention only to giving lessons on operational skill but failed to organize systematic study of elementary technological theory. 2. Some units have neglected the quality of the work in giving the lessons and have pursued in a one-sided manner the fulfillment of the stipulated targets. Therefore, they have lowered the criteria for the lessons they have given, broadened the scope of exemption, failed to strictly enforce their examination regulations and discipline and conducted their examinations in an unhealthy manner. 3. Some units have slackened their efforts in doing the work.

The year 1984 will be a decisive year for the fulfillment of the task of giving cultural and technological lessons. In this year, we should continue to implement the guiding thoughts of proceeding from reality, giving different treatment to different people, studying for the purpose of application, paying attention to quality, making overall planning in light of the whole situation and focusing on key links. On the basis of making an all-round investigation to sum up our work and confirm our achievement, we should study and solve the existing problems and satisfactorily do this work.

1. We should fully realize the great difficulties and the possibility in fulfilling the task of "giving the two kinds of lessons."

At present, the task of "giving the two kinds of lessons" is still very heavy. In some areas and departments where the work has made slow progress and only a small percentage of those who have taken the lessons have passed the examinations, less than half of the task has been passed when more than half of the allotted time has passed. Some of them have just begun the work. The future task is not easy even for the areas, departments and units that have made relatively quick progress. For, the nearer the end of the work of "giving the two kinds of lessons, the poorer the educational level of those who take the lessons or the more difficult for us to allocate time for them to take the lessons in their working hours because of the limitation in our working conditions. Therefore, it will become increasingly difficult to raise the rate of qualification and to organize the work in the future.

Of course, there will also be many favorable conditions for the work of "giving the two kinds of lessons" in the coming 2 years. The major favorable conditions are that we have further clarified in our minds the guiding thoughts on the work of "giving the two kinds of lessons," we have been provided with minimum teaching conditions, we have set up a set of methods and systems in organizing the education, and we have gained a certain amount of experience. In particular, under the new conditions whereby economic development demands

the quickest possible improvement of the quality of the contingent of our staff and workers, the leading groups at all levels have attached greater importance to this work, and the initiative of our young and middle-aged staff and workers for the study is upsurging. This is very favorable to the fulfillment of the task of "giving the two kinds of lessons." Therefore, we should strengthen our confidence, not only confirm our achievements and see our favorable conditions but also fully estimate the difficulties, continue to correct our guiding thoughts, and prevent and overcome any slack mood. Under this prerequisite of insuring quality, we should speed up the development of the work of "giving the two kinds of lessons," do our work in a planned and systematic manner and strive to achieve better results in 1984.

2. We should satisfactorily give technological lessons.

For a period of time in the past, some areas, departments and units have failed to actually grasp the work of giving technological lessons or to grasp this work vigorously or soundly. In 1983 when wages were readjusted in our enterprises, a problem emerged on how we were to dovetail the work of assessment for the readjustment of wages and the work of giving technological lessons. Therefore, all our areas, departments and units should strengthen their leadership and satisfactorily handle the relationships between the assessment for the readjustment of wages and the work of giving elementary technological lessons. They should act in accordance with the requirements of principle for the division of labor stipulated by the CPC Central Committee's 1981 Document No 8 and the requirements of the principle set in the "Opinions on Further Doing a Good Job of Giving Technological Lessons to Young and Middle-aged Workers," take into account the reality in the areas and departments, clearly decide what departments should be responsible for giving technological lessons and what departments should cooperate with the responsible departments in doing this work and thus conscientiously grasp this work. We should vigorously grasp the work of formulating technological theoretical teaching programs and writing teaching materials. The various ministries and commissions under the State Council can directly organize forces to formulate, select and write the programs and materials and they can also assign this work to the responsible provincial and city vocational bureaus. For some special lines of vocation, they can authorize localities or relevant units to formulate and write the programs and materials. We should make overall arrangement for political education and cultural and technological lessons in order to guarantee the time for the study.

3. We should give priority to guarantee the lessons given to the workers who do skillful work or are in key working posts.

At present, we have failed to arrange the lessons given to fairly large numbers of the workers who do skillful work or are in key working posts. Some units have failed to do this because they cannot allocate time for the study of these workers owing to the heavy tasks of production. Other units have not yet clarified which posts are key ones and thus do not know the situation and the number of such workers they have.

Insuring giving priority to giving lessons to the workers who do skillful jobs or are in key posts is an important link for grasping key links and paying

attention to economic results in our work of "giving two kinds of lessons." In the coming 2 years, we must adopt vigorous measures, make up our mind to insure that these people should take the lessons as soon as possible and meet the requirements for the lessons and thus lay a foundation for further improvement.

4. We should satisfactorily do the work related to consolidation and improvement concerning those who have successfully taken the "two kinds of lessons."

As the number of staff and workers who have obtained qualification in taking the "two kinds of lessons" increases, the problem of how we are to consolidate our achievements in giving the "two kinds of lessons" and lose no time in organizing a higher level of education for our staff and workers will become a problem that we must conscientiously solve while continuing to satisfactorily grasp the work of giving the two kinds of lessons. It is a major task for us to organize in a planned manner the middle-level technological (vocational) training for all skilled workers and key-post staff and workers who have been qualified after taking the two kinds of lessons. At the same time, we should vigorously carry out senior middle school and vocational middle school education among some of our young and middle-aged staff and workers. In addition, for some staff and workers who have taken the two kinds of lessons but are not able to receive a higher level of education, we should make them continue to study corresponding cultural knowledge, technological theoretical knowledge and technological operational skill in light of the actual requirements of their jobs.

5. We should strengthen the research into and management of teaching work and thus guarantee the quality of the lessons given.

In order to improve and guarantee the quality of the lessons given, we should strengthen our research into and management of the work of teaching, and establish a set of relatively strict systems for the research into and management of our teaching work. We should establish our teaching and research groups, expand our contingents of teaching and research workers and persist in carrying out the work of teaching in accordance with the teaching programs. We should enforce strict and practical requirements for the important links of teaching work, such as our teachers' work in preparing and giving lectures, correcting homework and coaching students and such as the links related to students in taking lectures, revising their lessons and doing their homework.

We should strictly enforce our examination system, persist in setting examination questions in accordance with the requirements of the teaching programs, correcting the malpractice of fraud and deception in examinations, foster fine general mood and discipline of examination and thus attain the aim of using examinations to promote study. As for the organization of examinations, generally we had better organize unified examinations within the scope equal to county (city) vocational bureaus, though regional vocational schools and units that are staff and workers education organizations above county and regiment level and are perfectly organized can also organize examinations independently. The areas and departments that are provided with the conditions to arrange unified examinations on a large scale can continue to hold such examinations, but they should earnestly and satisfactorily organize the work related to unified examinations and coordinate them with the unified examinations on a relatively smaller scale.

JOINT CIRCULAR OF MINISTRY OF COMMERCE, AUDITING ADMINISTRATION, MINISTRY OF FINANCE ON ACCOUNTS AUDITING IN ENTERPRISES DEALING IN GRAIN, FOODSTUFFS, PETROLEUM AND CHEMICAL FERTILIZER (23 March 1984)

(Shang-cai-lian-zi [0794 6299 5114 1316] 1984 No 19)

Beijing PRC STATE COUNCIL BULLETIN in Chinese No 8, 10 May 84 pp 260-263

[Text] Since the promulgation of the "Decision on Cracking Down on Serious Crimes in the Economic Field" by the CPC Central Committee and the State Council (carried in this BULLETIN's No 8 issue in 1982), the "Circular on Resolutely Curbing the Violation of Law and Discipline in the Supply of Agricultural Means of Production" by the State Council and the Discipline Inspection Commission of the CPC Central Committee (carried in this BULLETIN's No 22 issue in 1983), the "Notice on Cracking Down on Crimes of Stealing State Grains" by the Discipline Inspection Commission of the CPC Central Committee, as well as the circular on carrying out financial auditing by the Auditing Administration and the Ministry of Finance, the departments of commerce, grain and supply and marketing of various localities have, under the leadership of their respective party committees and governments, actively and earnestly unfolded work in this connection. Initial results have now been achieved. By the end of October last year, the grain departments had exposed 14,700 cases of economic crimes, of which 680 were major ones involving over 10,000 jin of grain and oil (including coupons) or over 10,000 yuan; the commercial departments had exposed 6,081 cases, of which 153 were major ones involving over 10,000 yuan; and the supply and marketing cooperatives had exposed 8,241 cases, of which 190 were major ones involving over 10,000 yuan. According to statistics compiled by the commercial, grain and supply and marketing departments of 15 provinces, autonomous regions and municipalities directly under the central government, financial auditing in 1983 showed that as much as 182 million yuan were involved in the violation of discipline. Seen from major and important cases exposed, problems in enterprises dealing in grain and oil, foodstuffs, petroleum and chemical fertilizer are most conspicuous. However, work has not been done in sufficient depth and breadth, and there is as yet no radical change in the state of lax management. Particularly serious is the fact that economic crimes are still rampant in some localities and units. Major and important cases and problems of violating financial and economic discipline still occur from time to time. In order to fully implement the repeated directives issued by the leading comrades of the CPC Central Committee and the State Council on consolidating the working force in the commercial field, to further expose economic crimes and violations of

financial and economic discipline, to solemnly mete out punishment according to the seriousness of each case, to strengthen the building up of the working force, and to meet the needs of the four modernizations, it is hereby decided that in the 6 months or so to come, apart from continuing to consolidate commercial enterprises on a universal scale and to deeply unfold activities of cracking down on economic crimes, a nationwide accounts auditing will be carried out in enterprises dealing in grain, foodstuffs, petroleum and chemical fertilizer in the spirit of party consolidation. The specific requirements and plans are as follows:

1. The scope of auditing: The stress will be put on county (city) grain bureaus and their subordinate grain administrations, grain supply centers, grain depots and grain- and oil-processing factories, on the county (city) foodstuffs companies and their subordinate foodstuffs purchasing and marketing centers, animal and poultry farms and meat-processing factories, on county (city) petroleum companies, on the chemical fertilizer business of county (city) agricultural capital goods companies, and on the petroleum and chemical fertilizer business of supply and marketing cooperatives at the grassroots level.

If problems exposed in the course of auditing involved the higher authorities of other departments concerned, they should be thoroughly investigated regardless of the scope defined above.

2. The main content of auditing: To check whether or not the recording and accounting of coupons and books are true and accurate, whether the inventory of stocks tally with the accounts, whether cash in hand and bank deposits square with the cash books and bank statements, and whether there are problems relating to various running costs and nonoperational expenses, current accounts and other matters. There should be different emphasis for different types of business. For example, under normal conditions, enterprises dealing in grain should concentrate on checking up on the balance of incoming and outgoing grain and oil at depots, the balance of additional payment for above-quota purchases, the transfer of grain and oil quotas to be sold at cheap or negotiated prices, as well as the administration and distribution of grain and oil sales quotas and sales incentive grain [jiangshou liang 1162 0786 8963]. Enterprises dealing in foodstuffs should pay attention to speculation, the illegal buying up of sales incentive grain, people who collaborated with outsiders to mark up the grades or make illegal claims, and so on. With regard to petroleum and chemical fertilizer, attention should be paid to the enforcement of the pricing policy, making use of petroleum and chemical fertilizer for personal gains, offering and taking bribes, and so on.

This auditing covers accounts during the years 1982 and 1983. In serious cases, accounts before 1982 should be investigated.

3. The methods and steps of auditing: County people's governments should organize local forces to audit the enterprises one by one. The provinces, autonomous regions, municipalities directly under the central government and the relevant departments of various localities should organize joint auditing groups to carry out auditing at selected units. The joint auditing groups should be made up of backbone cadres in the fields of finance and accounting

and in various professions who know commercial work well, and of people who are experienced in cracking down on economic crimes. Veteran cadres or accountants who have already retired to the second or third lines may also take part. Personnel transferred from various counties by their respective provinces, autonomous regions, municipalities directly under the central government, and localities should, in principle, be sent to carry out auditing in other countries. The joint auditing groups should pay attention to investigation and study, proceed from reality in everything, extensively solicit opinions and truthfully reflect conditions and problems. They should also strictly observe discipline, be honest in performing their duties, refrain from favoritism and oppose unhealthy tendencies. Auditing work starts now and will end at the end of this year. With regard to units where problems are serious and conditions are complicated, the duration may be appropriately extended. The important thing is to grasp the work firmly.

This major auditing calls for planning beforehand and summing up afterward. After finishing its work, every auditing group must submit a written report to its leading department at the higher level and to the local government on problems discovered, how things were handled and measures of rectification and reform taken.

4. The organizational leadership of auditing. This accounts auditing is a solemn and meticulous task which involves a wide range of matters and a heavy workload. It should be conducted mainly by departments responsible for commerce, grain and supply and marketing in close conjunction and cooperation with the auditing and financial departments under the unified leadership of the governments of various governments, autonomous regions, and municipalities directly under the central government.

The commercial and grain offices (bureaus) and supply and marketing cooperatives of various provinces, autonomous regions, and municipalities directly under the central government must put this task in an important place on the agenda, with the leading comrades assuming personal responsibility. We must understand the importance of this task to the crackdown on economic crimes, the strict enforcement of financial and economic disciplines, and the improvement of the quality of cadres and staff and workers through education. We must grasp the task firmly, from organizational leadership, transfer of work force, and handling of problems to the strengthening of the system of management. We must call upon the vast numbers of cadres and staff and workers to enhance their understanding, to take the initiative to do a good job of auditing, and to actively furnish clues.

The Ministry of Commerce will be in overall charge of this accounts auditing. The office will be set up under the Finance and Accounting Department. The relevant departments and bureaus will be responsible for auditing their respective trades. They will also work out measures for making changes while carrying out auditing.

5. In line with the principle of dealing with problems while carrying out auditing, problems discovered in the course of accounts auditing should be handled in accordance with relevant regulations of the Central Committee and the State Council. Economic crimes should be turned over to departments of

discipline inspection and the judiciary and put on record. Cases relating to the violation of discipline should be handled in accordance with the "Certain Regulations Concerning the Handling of Financial Problems in Financial Auditing in Enterprises" promulgated by the Ministry of Finance and transmitted in the State Council's Guofa 1982 No 72 document, as well as the Cai Yuzi 1982 No 78 "Circular on Recovering Embezzled Money and Property in the Handling of Financial Matters" promulgated by the Ministry of Finance (carried in this BULLETIN's issue No 10 of 1982). In handling economic crimes and violations of financial and economic disciplines, it is necessary to apply to relevant departments for approval in accordance with specified jurisdiction. Income obtained by illegal means must be dealt with sternly and recovered in full. No one should gain advantage on economic matters. Any attempt to truth in this accounts auditing will be punished heavily when discovered.

6. Sum up experience and establish a sound system. Regarding the problems exposed in this accounts auditing, all localities should conscientiously sum up experience and lessons, analyze and study the way different types of criminals went about their jobs, conscientiously examine problems that exist in the management of enterprises, propose measures for future improvement, consolidate basic work, establish and improve various rules and regulations, strengthen the system of personal responsibility and improve the quality of enterprises and of the work force. At the same time, attention should be paid to discovering good models. Units and departments that have done a good job in operations and management and in observing financial and economic discipline should be commended and awarded.

In order to communicate and exchange experience in good time, the commercial and grain departments (bureaus) and supply and marketing cooperatives of various provinces, autonomous regions and municipalities directly under the central government should, while submitting progress reports on the auditing work to their respective local governments in April, September and December, also submit copies of the reports to the Ministry of Commerce, the Auditing Administration, and the Ministry of Finance.

CSO: 4005/866

CIRCULAR OF MINISTRY OF FINANCE ON CONTROL OF ADMINISTRATIVE, ENTERPRISE
MANAGEMENT EXPENSES (14 March 1984)

(Cai-wen-zi [6299 2429 1316] 1984 No 39)

Beijing PRC STATE COUNCIL BULLETIN in Chinese No 8, 10 May 84 pp 263-265

[Text] During the past few years, the administrative expenses in our state administrative organizations and units of institutions and our enterprise management expenses have increased too quickly and sharply. Personnel numbers in quite a few units have grown excessively and out of control. Some units have used public funds to give dinners and presents to their customers and to tour scenic spots, thus wasting the funds of the state. Others have concocted various pretexts to pay excessive amounts of bonuses, allowances and payments in kinds, or even embezzle and steal public properties and illegally divided them among their personnel. If we fail to control and correct these malpractices, we will not only aggravate the state's financial difficulties and impede the four modernizations, but will also harm the relations between the party and government and the masses of people and erode the minds of our staff and workers. In order to earnestly control administrative expenses in our government organizations and institutions and the enterprise management expenses, we issue the following circular in accordance with the spirit of the instruction of the CPC Central Committee and the State Council on vigorously reducing the administrative expenses of our government organizations and institutions:

1. We should strengthen our management over the authorized size of our organizations and strictly control the allocation of personnel funds and the payments of bonuses. The departments responsible for the authorized size of organizations at all levels should grasp the work of fixing the size of our administrative organizations and institutions, and earnestly strengthen the management of daily personnel work. All government administrative organizations and institutions should carry out, in combination with the reform in our management system and with the structural reform and in light of the principle of streamlining our organizations, the practice of operating with a fixed number of personnel and establish a perfect job responsibility system. They should strictly maintain size within the approved limit and should not increase their personnel without authorization or under disguise. Beginning from 1984, the financial departments at all levels should strictly audit and allocate the personnel funds to our administrative units and institutions in accordance with the authorized size of these units. For units whose actual

number of personnel has already exceeded the authorized size, we should reduce the general funds for the part in excess of the authorized size. No administrative organization at any level is allowed to borrow personnel from units under it for prolonged periods to help in the work of the organization. An administrative unit or institution is not allowed to employ temporary workers for prolonged periods except for necessary seasonal jobs. If it has already borrowed personnel or employed temporary workers for a prolonged period, it should return the personnel or dismiss the temporary workers before a fixed deadline. It should earnestly implement the regulations stipulated by the state on bonus payments, allowances and welfare for its staff and workers. If it has violated the regulations of the state and expanded the scope and range of payments without authorization and thus raised the standard of payment, it should resolutely correct these mistakes. Beginning from 1984, all excessive payments must be returned and if the case is serious, we must investigate and affix the responsibility of the leaders and relevant persons of the unit for the excessive payment.

2. We should make efforts to reduce general expenses and enterprise management expenses. Except for business expenses which are maintained at the 1983 level, all other general expenses of our administrative units in 1984 should be 10-20 percent less than actual expenses in 1983. Administrative expenses in our institutions should also be reduced in light of their own conditions. Enterprise management expenses should be listed separately in financial plan and accounting statements and should be reported to the responsible department at upper level for examination and auditing. Except for wages, welfare funds for staff and workers, trade union funds, depreciation funds, maintenance funds of a production nature and other expenses that can be drawn or incurred in accordance with regulations of the state, all other expenses should be reduced by 20 percent over actual expenses in 1983. All areas and departments should adopt earnest measures to reduce meeting expenses, control travel expenses, reduce office administrative expenses and readjust the standard of the charges of their guest houses and hostels, resolutely reducing excessive charges. The practice of using public funds (including all kinds of funds included in our excluded from our budgets) to give dinners and gifts and tour scenic spots must be strictly banned. Anyone who approves a violation of this regulation will be held responsible. Generally speaking, no permission will be given in the coming 3 years for purchases of cars. A specific unit that indeed needs to buy one should have its application examined and approved by the unit having the power to examine and approve. We should strictly enforce the regulations related to renting houses for public use. If a newly established administrative unit or institution indeed needs to rent houses for its work and cannot get the housing from other units, its application for renting houses should be examined and approved by relevant organizations. If it is a central administrative unit, its application should be examined and approved by the management bureau in charge of the affairs of the organs directly under the CPC Central Committee, the management bureau in charge of the affairs of the organs of the State Council and the Office of the CPPCC National Committee. An institution should have its application examined and approved by the department in charge. Local administrative units and institutions should have their applications examined and approved by the various provinces, municipalities and autonomous regions

in accordance with their regulations on the renting of houses. Our financial department must not disburse any rent for houses that have been rented without authorization.

3. We should strictly forbid the malpractice of using funds allocated for administrative expenses in our government administrative organizations and institutions to carry out capital construction. We should strictly control the scale of capital construction of our government administrative organizations and institutions in accordance with the state's relevant stipulations. The capital construction needed by our government administrative organizations and institutions should be reported to and approved by the planning committee at the same level, should be included in our capital construction plans and funded by the allocation from the capital construction budget. At the time, when the planning departments at various levels draw up their plan for capital construction they must also properly arrange the investment in capital construction which is needed by our government administrative organizations and institutions. The capital construction funded by a unit on its own should be included in the capital construction plan funded by our units on their own, and should be reported to and approved by the authorities at higher level in accordance with the stipulated procedures of examination and approval. Beginning as of 1984, if we find any malpractice in the use of administrative funds in our government administrative organizations and institutions to carry out capital construction, we should deduct from the budget exactly the amount that has been used to fund capital construction.

4. We should strengthen our management over our goods and materials and thus prevent them from being lost or wasted. We should strictly control purchases of high-grade furniture and equipment of an expendable nature by our government administrative organizations and institutions. Such purchases should be reported to the responsible departments at higher level for examination and approval. The purchases of various kinds of equipment and materials which are needed by a unit for vocational work should be carried out in a planned manner in order to avoid blind and duplicate purchases. Nothing which can be supplied by our domestic market should be imported and no new equipment should be purchased if existing equipment can be used. We should advocate the practice of exercising special management over and conducting a joint utilization of big and medium-sized equipment. If the utilization rate of a piece of equipment in a unit is not high, it may be transferred to the society and other units. The responsible departments should try to transfer idle equipment which has not been used for a long time to other units; they should also make the best use of everything. In the near future, all our government administrative organizations and institutions must carry out a stocktaking in their warehouses and a checking of their fixed assets in use. They should also establish and perfect management systems in light of the existing problems.

5. We should strengthen our budgetary management and readjust rationally the targets in the budget for our units. Financial sectors at all levels must closely coordinate with responsible departments in order to readjust and stipulate as soon as possible the budgeted quota of funds. Beginning as of 1984, we should audit all projects for the spending of funds and allocate funds in accordance with their budget. When it is at times difficult to fix the quotas or it is impossible for us to allocate funds in accordance with

fixed quotas, we should reexamine the original figures of budgeted funds for these government administrative organizations and institutions. If the budgeted figures are too large, they should be reduced. In implementing our budgets, we should readjust them in a timely manner when there is a comparatively great change in our plans or in the tasks for our institutions. The surplus caused by our failure to readjust the budget in a timely manner, should be taken back at the end of the year or should be regarded as a part of the allocation for the next year's budget.

6. We should strengthen our management over the revenues and expenditures of extra-budgeted funds and those of units (assigned with a budgeted quota of deficits). We should examine and readjust the extra-budgeted funds of our government administrative organizations and institutions and strengthen our management over them. Revenue which should be included in the budget in accordance with the regulations should not be regarded as being excluded. All income acquired by using the state's financial and material resources must first be used to compensate for the consumption of the state's labor, financial and material resources or be used to compensate for the budgeted expenditure. Extra-budgeted funds should be used mainly in developing our enterprises and in improving our working conditions and should not be spent indiscriminately, much less be allowed to be misappropriated to profit individuals. All the extra-budgeted income of various units will be put under the unified management of our financial and accounting sectors and the practice of maintaining "small moneylockers" should be banned resolutely. In the units of institutions which have a constant and fixed income and are managed with a budgeted quota of deficits, we should rationally organize the collection of income and practice thrift in spending. These units should implement systems for the collection of charges, with the standards of the charges in accordance with the methods approved by the responsible departments at higher levels; excessive charges and unauthorized increases in charges should be strictly forbidden. All methods for calculation of charges that are not approved by the responsible departments and the financial departments at the same levels, should be called off; if the standard for the calculation of the charge is on the high side, it should be lowered resolutely, otherwise, the responsible and the financial departments at higher level must confiscate the illegal income collected in this way.

After receiving this circular, the authorities in various areas and departments should study the question of how we are to work out concrete and practicable measures to carry out this circular and pass on these measures to the masses of people in order to facilitate mobilizing the masses of people to supervise the implementation of these measures.

CSO: 4005/866

CIRCULAR OF MINISTRY OF FINANCE ON CHANGES IN DESIGNATION OF OFFICIAL VISIT
AREAS FOR SOME AUTONOMOUS PREFECTURES, COUNTIES (9 April 1984)

(Cai-wen-zi 1984 No 62)

Beijing PRC STATE COUNCIL BULLETIN in Chinese No 8, 10 May 84 p 266

[Text] Following the circulation to lower levels of the Cai-shi-zi ([6299 0051 1316] 1983 No 493 document) of the Ministry of Finance "Circular on Changes of Rules for Traveling and Conference Expenses," (note: this document was carried in BULLETIN No 26, 1983) the financial departments of Sichuan, Gansu and Xinjiang have written letters to the ministry and suggested changing the designation of certain official visit areas of certain autonomous prefectures, cities and counties so as to adapt to the changed situations in these areas. After a study, the Ministry of Finance has agreed to make the following changes:

First, to change Ganluo, Leipo, Xide, Yuexi, Meigu, Jinyang, Chaojue, Puge, Butuo and Yanyuan Counties of Liangshan Yi Nationality Autonomous Prefecture of Sichuan Province and Muli Zang Nationality Autonomous County from the first category of official visit areas into the second category of official visit areas.

Second, to change Jishi Shan Baoan Nationality, Dongxiang Nationality and Sala Nationality Autonomous County of Linxia Hui Nationality Autonomous Prefecture of Gansu Province and Zhouqu County of Gannan Zang Nationality Autonomous Prefecture from second category areas into third category areas.

Third, to change Kalamayi City of Xinjiang Uighur Autonomous Region from a fourth category area into a third category area; and to change Minfeng County of Hetian Region, Wuqia County of Kezilasukeerkezi Autonomous Prefecture, Aheqi County, Qiemo County, Ruojiang County and Bayinbuluke Region of Bayinguoe Monggol Autonomous Prefecture and Yiwu County of Hami Region from third category areas into fourth category areas.

This circular will come into effect on 1 June 1984.

CSO: 4005/866

RULES OF WARRANTY FOR BUILDING CONSTRUCTIONS (PROVISIONAL) [Issued by the Ministry of Urban and Rural Construction and Environment Protection on 3 March 1984]

(Cheng-jian-zi [1004 1696 1316] 1984 No 79)

Beijing PRC STATE BULLETIN in Chinese No 8, 10 May 84 pp 266-269

[Text] Article I. These rules have been particularly drawn as a move to protect the interests of the state and users, promote constant improvement in project quality to guarantee the function and prolong the life of buildings.

Article II. Damage arising from accidents and defects of all the new, rebuilt expanded projects undertaken by all urban and rural building enterprises under the construction system caused by poor construction quality occurring within the guarantee period must be repaired on the basis of these rules.

Article III. The range of guarantee for various buildings, structures and equipment installation projects includes:

1. leaking roof surfaces;
2. clogged flues, exhaust pipes and air ducts;
3. interior level ground with hollows, swells, cracks or sand, loose face bricks and leaking ground surfaces which should be waterproof;
4. decorative surfaces, such as plastering, face brick, wallpaper and paint that have dropped from inner and outer walls and ceilings and plaster that has become alkalized and fallen off;
5. doors and windows that cannot be opened or closed properly or with crevices exceeding the stipulated size;
6. flooded or leaking outer walls and balconies;
7. flooded or leaking outer walls and balconies;
8. leaking water towers, sinks and cellars that should be waterproof;

9. leaking indoor water and heat supply pipes, ineffective heat supply systems, improperly insulated electric appliances and wire and lighting facilities that have fallen down;

10. leaking or clogged outdoor pipes and settling of roads in small areas;

11. steel structures, reinforced concrete structures and brick structures and other supporting structures that have deformed and cracked beyond state regulation and designing requirements.

Article IV. The guarantee period of building projects will be calculated as of the day of the completion and handing over of the projects. The guarantee period for various types of projects is as follows:

1. buildings for civil and public use, general industrial buildings and structural buildings are guaranteed for 1 year;

2. installations of lighting facilities and waterpipes for buildings are guaranteed for 6 months;

3. heating and cooling systems are guaranteed for one heating and cooling period;

4. outdoor surface and underground waterpipes and roads in small areas are guaranteed for 1 year.

5. conditions and periods of guarantee for the wiring and piping for general equipment, electrical equipment, instruments and meters for industrial buildings and projects with particular requirements will be defined by the users and construction units in their contracts.

Article V. When construction units are handing over related projects, they must also hand over the "letter of guarantee for the repair of construction projects" and "notice for the repair of defects in construction projects due to poor quality," and set up a file for such service.

Article VI. When quality problems defined in Article III occur during the guarantee period of the construction projects, the users must fill in the "notice for the repair of defects in construction project due to poor quality" and inform the construction units.

Article VII. The construction units must visit the spot within 10 days of receiving the notice to determine the extent of repair with the users and carry out the work as soon as possible with cooperation of the users.

Article VIII. When the construction units have failed to visit the spot within the period as defined in Article VII without any special reason or when the former still cannot visit the spot during the designated period after being informed by the users again, the latter have the right, under the promise that the project standard remains unchanged, to carry out repair work by themselves. All the repair expenses must be borne by the original construction units which can in no way refuse.

Article IX. When the construction units cannot visit the spot during the period defined in Article VII because of special situations such as office removal, they must inform the users in due time. With the consent of construction units, the users may, under the premise that the project standard remains unchanged, appoint other units to carry out repair work and all the repair expenses must be borne by the original construction units.

Article X. When the construction units have failed to overcome quality defects during the time that has been agreed between them and the users, they must pay compensation to the users for breaking the agreement. Specific conditions may be defined by the related units.

Article XI. When the users have handled the problems of the quality of the projects according to Articles VIII and IX, they must list the items of repair, the extent of repair and the expenses, which are then to be handed over to the construction units for settling accounts.

Article XII. When the users fill in the notice for repairs and unilaterally define the responsibilities for carrying out repair according to Articles VIII and IX, they must check the design drawings and the data at the time of completion of the projects so as to clarify responsibility on the basis of the following points:

1. the construction units must be responsible for all the quality problems that have been caused by them in violation of the related "rules," "regulations," "standard" and designing requirements;
2. the construction units must be responsible for the repair of quality defects caused by designing. The repair expenses must be paid by the designing units through the users. The amount of compensation must not exceed the designing expenses received for the projects. The amount exceeding the designing expenses must be covered by the users;
3. the construction units must be responsible for the repair of quality defects caused by substandard raw materials, components and fittings purchased by themselves or by the users but have been used by themselves without checking. The construction units will have no economic responsibilities for substandard raw materials, components and fittings purchased by users who insisted on using them despite the objection of the construction units;
4. the construction units will bear no repair responsibilities for quality defects of the equipment and electrical appliances with certificates of quality. When this equipment has to be repaired, the users must appoint their own repairers;
5. the users must be responsible for quality defects caused by their own improper use;
6. the construction units will not be responsible for expenses of repairs needed because of accidents caused by natural disasters and other objective factors such as earthquakes, floods, typhoons and regional atmospheric conditions.

Article XIII. Parties responsible for project repair expenses and payment for violation of agreement must make payment within 10 days of receiving bills. If the parties fail to make the payment within the stipulated period and have not appealed to arbitration departments, the local urban and rural construction management departments will directly inform the banks to make the transfer.

Article XIV. Units that are responsible for repair work will be responsible for the raw materials, components and fittings used in the repair of construction projects. The quantity and prices will be calculated on the basis defined by local urban and rural construction management departments.

Article XV. The checking and acceptance of the quality of repair items are based on state "rules," "regulations," standards and original design requirements.

Article XVI. When users demand the original construction units to repair quality defects due to causes beyond the responsibilities of the construction units during the guarantee period, the construction units must proceed on the basis of serving the users and carry out the repair, but the repair expenses must be covered by the users.

Article XVII. When there are disputes between the users and the construction units in determining repair responsibilities and expenses, the local urban and rural construction management departments or building engineering quality supervisory stations must be responsible for arbitration.

Article XVIII. All provincial, autonomous regional and municipal urban and rural construction management departments may make their own specific regulations on the basis of these rules, but these regulations must be reported to the Ministry of Urban and Rural Construction and Environment Protection as a matter of record.

Article XIX. These rules will be effective as of 1 July 1984 on an experimental basis. The Construction Administrative Bureau under the Ministry of Urban and Rural Construction and Environment Protection has been entrusted to interpret these rules.

CSO: 4005/866

CIRCULAR OF STATE INDUSTRIAL AND COMMERCIAL ADMINISTRATIVE BUREAU, MINISTRY OF CULTURE, MINISTRY OF EDUCATION, MINISTRY OF PUBLIC HEALTH ON CONTROL OF CULTURAL, EDUCATIONAL, HEALTH, SOCIAL ADVERTISING (7 April 1984)

(Gong-shang [1562 0794] 1984 No 39)

Beijing PRC STATE COUNCIL BULLETIN in Chinese No 8, 10 May 84 pp 270-271

[Text] Since the promulgation of the "Provisional Regulations for the Control of Advertising" (text published in this BULLETIN's No 2 issue of 1983, Guo-fa 1982 No 23) by the State Council in February 1982, they have, through the reorganization of advertising, the banning of illegal advertising and the promotion of the development of socialist advertising, played an active role in vitalizing the economy and better serving the construction of socialist material and spiritual civilization. Following the development of the national economy, cultural, student recruitment, medical and social advertising have increased daily. This indicates the great prosperity of our nation's cultural, educational and health enterprises and provides an assurance that we should act according to the situation. At the same time this type of advertising has given rise to several problems. For example, some entertainment advertisements advertise bad shows; some, with the pretext of organizing classes, distribute advertisements to swindle; some use medical advertisements to deceive people who are sick and to peddle fake medicines which have unhealthy effects. In order to assist in the healthy development of socialist advertising and in accordance with the spirit of the "Provisional Regulations for the Control of Advertising," the following circular is issued for the control of cultural, educational, public health and social advertising:

1. Advertisements for performances of a business nature by professional popular drama troupes (including amateur peasant drama troupes) and popular artists at the county or city level must be examined and approved by departments responsible for cultural work or their authorized units above the county level (including those at county level). Only when a certificate has been issued can the advertisements be published, broadcast and posted. Advertising by wired broadcasts and by posters of performances of a business nature at the town, district or village level, must be authorized by a certificate from the departments responsible for cultural matters above the county level. Only then can they be published, broadcast and posted.

2. All types of student recruitment advertisements for continuation schools, tuition classes and other private classes must be examined and approved by

education departments above the county level. Only when a certificate is issued can the advertisements be published, broadcast and posted. Student recruitment advertisements for all types of tertiary vocational schools or classes and secondary vocational schools or classes and secondary vocational schools or classes organized by social forces must be examined and approved by the provincial, city or autonomous regional education (higher education) office or bureau. Only after a certificate has been issued can the advertisements be published, broadcast and posted.

3. Advertisements by private practitioners must be examined and approved by public health departments above the county level. Only when a certificate has been issued can the advertisements be published, broadcast and posted. Medical advertisements are not allowed to publicize medicines which have not been approved by the provincial, city or autonomous regional public health office or bureau.

4. Advertisements for Chinese and Western medicines must be examined and approved by the provincial, city or autonomous regional public health office or bureau and a certificate issued.

5. Advertisements soliciting marriage, seeking missing persons, seeking lost goods, reporting lost items, notices and announcements must be authorized by the district, neighborhood, village, town or relevant unit before they can be published, broadcast or posted.

6. The units responsible for examining the various above types of advertising are the departments which have jurisdiction. The controlling units are the industrial and commercial administrative offices at various levels. All units engaged in advertising or printing must manage the publication, broadcasting and posting of advertisements in accordance with the above regulations.

7. All provinces, cities and autonomous regions can, in accordance with their local conditions and actual situation, draw up local methods for controlling cultural, educational, public health and social advertising.

CSO: 4005/866

CIRCULAR OF STATE INDUSTRIAL AND COMMERCIAL ADMINISTRATIVE BUREAU OF TOBACCO,
LIQUOR ADVERTISING, ON SERVICE CHARGES FOR DOMESTIC ADVERTISING REPRESENTA-
TION (2 March 1984)

(Gong-shang 1984 No 24)

Beijing PRC STATE COUNCIL BULLETIN in Chinese No 8, 10 May 84 pp 271-272

[Text] Since the announcement of the "Provisional Regulations for the Control of Advertising," the whole nation has been raising questions concerning tobacco and liquor advertising and concerning service charges for domestic advertising representation. After a study of these questions, the following provisional regulations have been drawn up:

1. On cigarette advertising:

Smoking is harmful and useless to the human body. It is forbidden to use radio, TV, newspaper, books and periodicals, street billboards, neon signs, neon lights or posters and other media for advertising purpose.

2. On liquor advertising:

According to international tradition, many countries in the world have already banned the advertising of liquors exceeding 40 degrees (containing 40 percent of alcohol), which are considered as strong spirits. According to the actual situation in our country, it is prohibited to use radio, TV, newspapers, books and magazines, street billboards, neon signs, neon lights, posters or other media for advertising such liquors.

3. On service charges for domestic advertising representation:

Domestic advertising units and units engaged in advertising as a sideline should be allowed to receive a fixed service charge for advertising representation, which should not exceed a maximum amount of 10 percent of the advertising cost.

Our circular will become effective as of the day of issue. We hope that the industrial and commercial bureaus in each province, city and autonomous regions will as quickly as possible notify the advertising units and units engaged in advertising as a sideline.

CSO: 4005/866

- END -

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